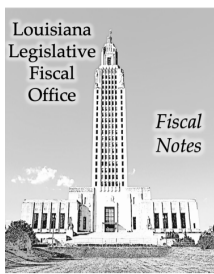


LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 165** HLS 21RS 629

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 23, 2021	2:00 PM	Author: CORMIER
Dept./Agy.: Revenue		Analyst: Benjamin Vincent
Subject: Plaquemines Parish: Suspension of State Sales Tax Levy		

TAX/SALES-USE, STATE OR -\$7,600,000 GF RV See Note Page 1 of 1
Provides that the one percent state sales and use tax does not apply in Plaquemines Parish during a certain period of time

Proposed law suspends the effectiveness of the 1% state sales tax levy in R.S. 47:321 for transactions in Plaquemines Parish only, as long as toll collections on the Judge Perez Bridge are in effect.

Effective upon governor's signature.

EXPENDITURES	2021-22	2022-23	2023-24	2024-25	2025-26	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2021-22	2022-23	2023-24	2024-25	2025-26	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	(\$7,600,000)	(\$7,600,000)	(\$15,200,000)
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	(\$7,600,000)	(\$7,600,000)	(\$15,200,000)

EXPENDITURE EXPLANATION

LDR reports that modifying the current set of suspended exemptions will require some expenditures for tax return form redesign, and for computer system modification, development, and testing. Estimated at \$77,000 of staff time. Presumably these costs would be incurred some months prior to the effectiveness of the localized suspension. As suspended collections would likely commence in July 2025, the timing of this expenditure is reflected in the table above as occurring in FY25.

REVENUE EXPLANATION

Based on information provided on the website for Plenary Infrastructure, the firm managing the operations and maintenance of the bridge, toll collections are anticipated to begin on approximately April 1, 2024. Proposed law provides that collections will be suspended at the beginning of the quarter following the start of toll collections, thus this note assumes that the revenue impact begins in FY25.

LDR annual collections data over the previous three years indicates that an annual average of \$10.3 million in total sales tax collections was reported by filers within Plaquemines Parish. Additionally, LFO estimates approximately \$23.7 million in total sales tax collections for large out-of-state remitters in the Parish. A suspension of collections on the 1% levy implies a general fund revenue reduction of approximately \$7.6 million annually, as long as the Judge Perez Bridge toll is in effect. According to Plenary Infrastructure, the tolling period will be in effect for 30 years.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Gregory V. Albrecht
Chief Economist